Thank you for joining the Smart Grid Consumer Collaborative research brief: A Spotlight on Low Income Consumers.

Patty Durand, Executive Director of SGCC and Jack Lloyd, Senior Vice President at Market Strategies International, Inc led SGCC members through a dynamic discussion regarding the key learning and implications drawn from a national telephone survey designed to track low incomes consumers' awareness, favorability and understanding of smart grid.

Below is summary of the webinar:

I. Methodology

- SGCC commissioned Market Strategies International, Inc. to conduct a telephone survey of 1,001 US low income consumers designated as heads of low income households from July 28 to August 14, 2012.
- The sample was stratified by ethnicity, targeting: 400 white; 300 African American; 300 Hispanic.
- Among Hispanics, the interviews were conducted in their preferred language, with 221 interviews completed in Spanish
- The aggregate data were weighted by age, ethnicity, gender and region to align with low income population parameters.
- The margin of error for the total sample size of 1,001 is +/-3.1 percentage points at a confidence level of 95%.

II. Key Findings

Smart Grid/Meter Awareness and Favorability

- Low-income consumers have less awareness of smart grid and smart meters than Wave 2 the general population of US consumers.
- Low-income consumers have less favorable feelings toward smart grid and smart meters.

Preferred Media and Communication Channels

- Low-income consumers have different communication preferences and behaviors which highlight the need for more effective outreach and targeted communication in their preferred language.
 - They are more likely to get news and information from television and less likely to get it from other media than the general population.
 - The majority of low income Hispanic respondents say they get their news and information mostly from Spanish-language media.
 - Many (42%) say they do not use the internet at all.
 - They are far more favorable toward phone calls and automated phone calls than Wave 2 (general population). (For receiving day-to-day electricity usage information, 43% prefer automated phone calls.)
 - Three-fifths have a cell phone; one-fifth have a smart phone.

Smart Grid & Smart Meter Benefits

- Both low income and the general population value multiple smart grid benefits highly.
 - When asked to consider the importance of seven potential benefits of smart grid and smart meters, at least 74% of low income consumers say that each benefit is important to them personally – directly in line with that of Wave 2 - general population.
 - "Smart grid senses problems and reroutes power automatically, preventing some outages
 and reducing the length of those that do occur" is considered the most important benefit
 of the smart grid among both the general US population and low income consumers.
 - Reliability is considered the greatest value add of the smart grid for low income consumers. It received the highest percentage (28%) willing-to-pay an extra cost of \$3-\$4 on the monthly electric bill for it.

Smart Grid & Smart Meter Programs

- Not unlike the general US population, low income consumers have a strong interest in dynamic pricing programs.
 - Low income consumers are as likely to participate in time-of-use pricing (TOU) or critical peak rebate (CPR) programs as Wave 2 (general population), low income consumers' perceive that they can save on energy and reduce their costs on these programs.
- However, "Pay as you go" (prepay) program was not considered as appealing as TOU and CPR.
 - Interest in a "Pay as You Go" (prepay) program is low among low-income consumers: Only seven percent (7%) say they are very likely to participate.

Energy Efficiency and Environmental Attitudes

Low Income consumers hold similar attitudes about the importance of energy efficiency and helping the environment, but they are less knowledge about the actions they can take.

III. Implications

- Findings highlight the need for more effective outreach to low income consumers.
- Customized low income communications that take into account their specific communication capabilities and preferences as detailed in this report.
- Improved reliability is a key driver of Smart Grid support among low income consumers.
 Communications targeting this group should therefore stress reliability, but it is also important to note that they value the full range of benefits.
- Low Income are interested in dynamic pricing programs, a target for TOU and CPR programs. They are as interested in dynamic pricing programs as Wave 2 (general population).
- Pay as you go (prepay) is not as appealing as TOU and CPR programs.

IV. Discussion Questions and Comments

- How knowledgeable were survey respondents about the existing reliability and the % improvement expected from smart grid?
 - **Discussion** The survey didn't go into this much detail for the responders but responders were basing their answers based on their experiences with electricity.
- Did the surveyor provide respondents with an estimate of the increase in rates resulting from smart grid implementation, or what they would be willing to pay for it?
 - Discussion This was reflected in the benefits section where a phrase of would they be willing to pay an extra 3 to 4 dollars per month on their electric bill to receive each of the benefits. It was an attempt to be transparent that technology isn't free. Able to differentiate between the benefits answers by the consumers if they thought it was worth this increase.
- o What about the effectiveness of print media? Has this been measured?
 - Discussion The finding here is that communicating with consumers, print media is less effective than other communications like TV and radio particularly with low income consumers.
- o In regards to the critical rebate plan, a comment was negative in regards to the utility taking control of supply. Has there been any testing around interruptible load programs and consumer perceptions to this?
 - Discussion This survey didn't directly address this but other research by SGCC did and the result that always the consumer would like control was the answer.
- Do PAYG: Other than budgeting, are consumers tempted by additional benefits (discount perhaps) to sign up to PAYG?
 - Discussion One of the biggest benefits includes that there isn't a big deposit
 needed and another benefit other than budgeting mentioned is that they are able
 to monitor their electricity usage.
- o What about the environmental community's reaction to the "EMF production in a home"?
 - Discussion SGCC didn't talk about with surveyed individuals the issues raised by the vocal minority, including data access, privacy, or RF. Credible sources talking about the minitoriy's concerns dispels most of the concerns as myths and not credible. Why did they not support the roll-out of smart meters was asked of individuals who had this opinion and the issue of EMF production was not raised.
- In the programs referenced, are customers on pay as you go required to pay the same customer charges for those who are connected monthly versus pay-as-you-go who may not be connected 30 days
 - Discussion Granularity wasn't as deep in the survey. We would suggest that
 there not be additional fees for pay-as-you-go because the programs are
 designed to save the customer money.
- View the recording of the webinar here > >
- Download a copy of the presentation slides here > >

Please visit the $\frac{www.smartgridcc.org}{Spotlight\ on\ Low\ Income\ Consumers\ research}$.